

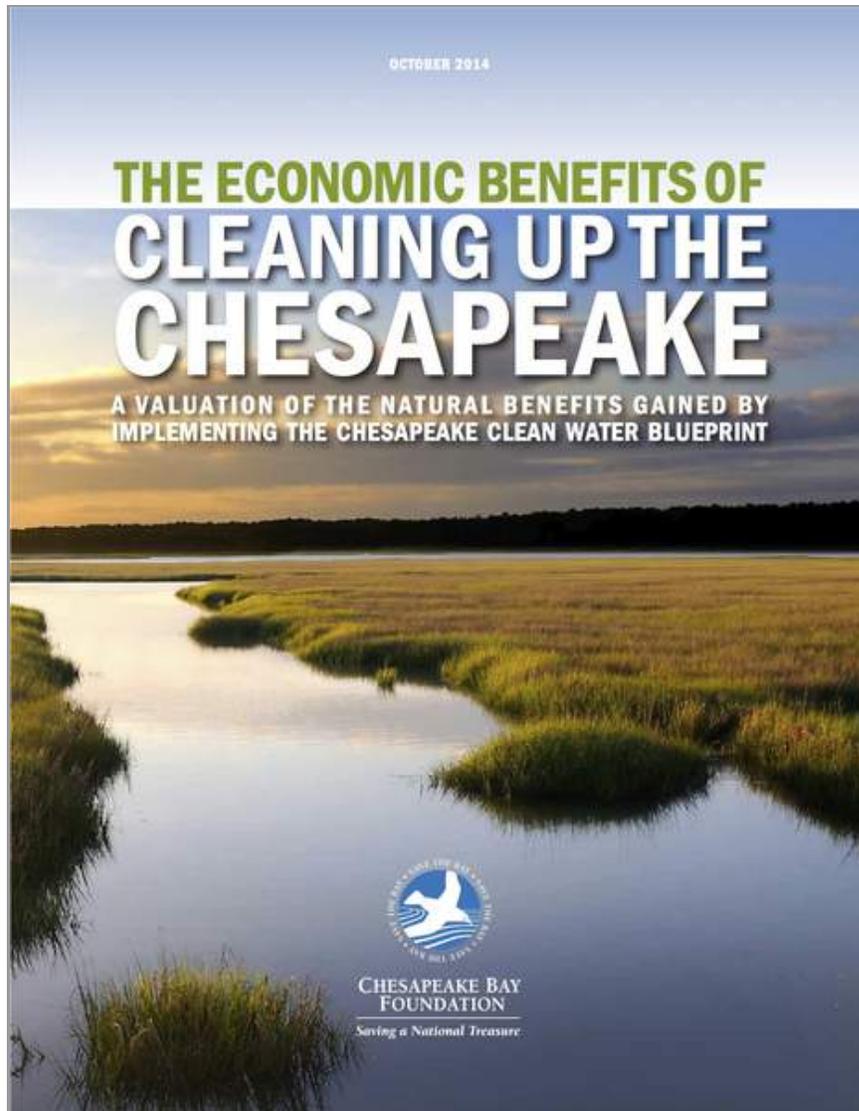
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## Report: Chesapeake clean-up would be \$22 billion boon to economy

*Bay foundation identifies financial benefit of reducing pollution*

By Maddy Lauria | Oct 21, 2014



*Source: Chesapeake Bay Foundation*

“The Economic Benefits of Cleaning up the Chesapeake,” released Oct. 6, is the first economic study of the watershed, estimating a \$22 billion yearly payoff for implementing the Chesapeake Clean Water Blueprint.

Cleaning up the Chesapeake Bay is vital for the environment, and a new report from the Chesapeake Bay Foundation shows it would also offer a multibillion-dollar boost to the economy.

Scientists and economists estimate that the full implementation of the Chesapeake Clean Water Blueprint, which calls for six states to reduce pollution, could have a \$22 billion a year impact on the region's economy.

"The environment and the economy are simply two sides of the same coin," said William Baker, president of the Chesapeake Bay Foundation.

The new, peer-reviewed study, "[The Economic Benefits of Cleaning up the Chesapeake](#)," released Oct. 6, is the first economic study of the watershed, said University of Delaware Professor Gerald Kauffman, who participated in the peer review.

"We've long known about the environmental and ecological benefits of estuaries like the Chesapeake," Kauffman said, adding that people don't always see those benefits in economic terms. "People understand dollars and cents, but they might not understand the environmental habitat, the flora and fauna," he said.

### Benefits to Delaware of cleaning up the Chesapeake Bay

- 2009 baseline of value of natural benefits: **\$735 million**
- Expected increase of natural benefits if blueprint is implemented: **\$206 million annually**
- Increase related to aesthetics: **\$67 million annually**
- Increase related to water quality and quantity: **\$42 million annually**
- Increase related to recreation: **\$34 million annually**
- Decrease in value of natural benefits if blueprint is not implemented: **\$76 million annually**

The study examines services provided in the watershed – from water supply to aesthetics – to analyze the benefits of various land uses. Scientists and economists compared the environmental condition of seven types of land uses, including forests and agriculture, against a 2009 baseline economic impact – a total of \$107.2 billion annually – of the Chesapeake Bay watershed.

The study explores the effects of cleaning up the watershed versus business as usual in Virginia, Pennsylvania, Maryland, New York, West Virginia, Delaware and Washington, D.C., which together make up the 64,000 square miles of the watershed.

In Delaware, full implementation of the blueprint, federally mandated by 2025, could increase the value of natural services provided by the Chesapeake watershed by \$206 million annually, the report shows.

About one-third of Delaware's land area – including half of Sussex County – falls in the Chesapeake Bay watershed, with about half it used for agriculture.

With tourism and agriculture as the top two industries in the First State, Kauffman said investing in cleaning up the watershed could pay off substantially.

"That's real money that would occur if you improve the quality of the streams," he said. "It would be a big benefit to the local economy in the area along western and southern Delaware because the No. 1 and No. 2 highest-rated industries in Delaware are the very industries that are in the Chesapeake – agriculture and tourism."

It's estimated that full implementation of the Chesapeake Clean Water Blueprint may cost about \$5 billion per year. With an estimated \$22 billion return for the surrounding states' economies, Kauffman said it's an investment opportunity most corporate companies would seize.

The study documents that improving water quality and habitat results in a very big payoff, he said. "For every dollar invested, society would get \$4 to \$10 back. ... This is a vast economic resource, it's going to take some investment to get it done."

The study itself cost \$50,000-\$75,000. Natural resource economist Spencer Phillips, who developed the report alongside senior water quality scientist Beth McGee, said the study was conducted by comparing the Chesapeake Bay watershed to the results of more than 70 other similar studies to calculate the economic impacts of estuaries. The study looks at everything from open waters and tributaries to connect wetlands, farmlands and neighborhoods.

"Most people do understand that clean water, the benefits of a natural world, are benefits to them," he said. "We didn't just look at the main stay of the bay; but we looked throughout the entire watershed."

Phillips said the report shows how cleaner water would improve seafood production, hunting, swimming and other recreation as well as provide healthier landscapes to protect from flooding.

"There are farms and forests and even urban areas that'll be doing a better job of holding back the water and pollution. Less flooding damage is going to occur," he said.

Even though Delaware only accounts for about 1 percent of the total watershed, about 35 percent of Delaware's waters flow west into the Chesapeake, Kauffman said, noting the importance of the First State to align with the Chesapeake Clean Water Blueprint, through the Department of Natural Resources and Environmental Control's Chesapeake Bay Watershed Implementation Plan.

"It's a tough job because you're talking about covering many square miles of area," he said. "I think Delaware as a state is well on its way. I've looked at the water quality monitoring data and water quality is improving in the streams that flow west from Delaware into Maryland."

Kauffman said levels of dissolved oxygen, phosphorous, bacteria and sediment are on par with the implementation plan, but nitrogen levels remain a problem in streams in the Chesapeake and Delaware River basin.

"There's more to be done," he said. "These pollution problems occurred decades ago. It's going to take at least a decade to get it right."





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